

Public Purpose/Impact Analysis

Title of Project: Letter of Intent with Nevada System of Higher Education

Project Description: City Parkway V, Inc. ("CPV"), an affiliate of the City of Las Vegas, proposes to enter into a non-binding Letter of Intent with the Nevada System of Higher Education (NSHE) for the development of academic and medical uses on Parcel A2 in Union Park. This Letter of Intent reserves Parcel A2 for the development of a minimum 45,000 square feet of office space within a projected 300,000 gross square feet of building space. Parcel A2 is approximately 2.20 gross acres, and is valued at approximately \$7,580,000. The Letter of Intent proposes that the land be donated to NSHE, provided that NSHE develops, or contributes the cost for developing 45,000 square feet in a 300,000 building program which may be built in phases. NSHE is approaching the Nevada State Legislature for a capital commitment which will support the development cost for 30,000 square feet of space. The remaining 15,000 square feet is the allocation of 15,000 square feet of existing space leased by NSHE. Final development terms will need to be negotiated in a mutually acceptable Disposition and Development Agreement.

Sponsor/Developer: Nevada System of Higher Education

Assistance Provided by: City Parkway V, Inc. and the City of Las Vegas

Number of Direct Jobs Created: To be determined at later date

Number of Indirect Jobs Created: To be determined at later date

Number of Direct Jobs Retained: To be determined at later date

Pertinent Statutes Used for Public Purpose:

NRS 396.420; NRS 277.053; NRS 268.063(3)(a)

How Does the Project Benefit the Public:

The Nevada System of Higher Education (NSHE) is a state entity formed pursuant to NRS 396. Reserving development rights on Parcel A2 will allow NSHE to expand its academic and medical programs, which will compliment the Lou Ruvo Brain Institute and its programs.

Quantitative Economic Benefits:

To be determined at the time of reaching terms on a Disposition and Development Agreement.

Private Investment:

To be determined at the time of reaching terms on a Disposition and Development Agreement.

Public Investment*:

State contribution to be determined upon conclusion of 2007 Nevada Legislative Session. City Parties projected contribution is estimated at \$2,287,860. The final public investment shall be determined at the time of reaching terms on a Disposition and Development Agreement.

Total direct Economic Impact:

To be determined at the time of reaching terms on a Disposition and Development Agreement.

Total Indirect Economic Impact:

To be determined at the time of reaching terms on a Disposition and Development Agreement.

Economic Impact Study Performed: Yes ☐ No ☒

Return on Investment Analysis Performed: Yes ☐ No ☒

The Public Investment from City Parkway V, Inc. is projected to be \$1,137,000. This is calculated as follows. The appraisal value of Parcel A2 as of October 5, 2006 (Baseline Consulting Services MAI Appraisal) is \$7,580,000. (This value is the appraised market-value of a “pad-ready” development parcel with wet and dry utilities and infrastructure in place to serve on-site development.) NSHE is projected to develop or pay the costs of developing 15% of the building program (45,000 square feet of total 300,000 square feet) on Parcel A2. Therefore, if City Parkway were to convey the land as a donation to NSHE, the net benefit conferred to NSHE would approximately be 15% of the value of the land, which is \$1,137,000. This amount is a projection only, and is subject to change when the terms of a Disposition and Development Agreement are fully negotiated. This is not an obligation of City Parkway V, Inc., whether express or implied, and should not be construed as such.

The Public Investment from the City of Las Vegas is projected to be \$1,150,860, which is \$12 per gross square foot of land and is applied towards the cost of soil and groundwater remediation for the development of the project. This amount is a projection only, and is subject to change when the terms of a Disposition and Development Agreement are fully negotiated. This is not an obligation of the City of Las Vegas, whether express or implied, and should not be construed as such.

A complete Economic Impact Study and a Return on Investment Analysis will be provided at the time NSHE and the City Parties reach agreement on the terms and form of a Disposition and Development Agreement.